

Environmental Loans E-Bulletin

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The Environmental Loans E-Bulletin is written by staff in the WI DNR Environmental Loans Section to provide up-to-date information on both the Clean Water Fund Program (CWFP) and the Safe Drinking Water Loan Program (SDWLP). These E-Bulletins are sent periodically to alert you to upcoming deadlines, highlight program changes and provide assistance on topics that need clarification.

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CWFP Principal Forgiveness Application Deadline!

The clock is ticking!! Remember if you want your CWFP project to be considered for State Fiscal Year (SFY) 2014 Principal Forgiveness, the deadline for submitting SFY 2014 CWFP applications is **September 30, 2013!**

Applications received by the deadline will be assigned to a project manager for an initial completeness review. If your application is not complete, you will have a limited time in which to submit the required information.

Once the completeness review is finished, the Funding List will be posted on the web (anticipated by 11/11/13). Since we have already received the capitalization grant for SFY 2014, projects can be “accepted” after the Funding List is published. The formula for calculating Principal Forgiveness is unchanged from last year and can be found on the web under the Project Lists tab in the Intended Use Plan (<http://dnr.wi.gov/Aid/LoanNews.html>).

Remember that once an application is accepted, there is an 8 month timeline by which the Financial Assistance Agreement must be completed and the loan awarded. You should work closely with your project manager to determine your municipality’s timeline for closing the loan.

You can help us expedite this process by submitting *complete* applications. Common ways applications are considered “incomplete” include:

- A/E contract(s) for Facility Planning and/or Plans & Specification are not signed by all parties.
- Application is signed by someone other than the authorized representative.
- A proposed or executed Construction Management contract is not included in the application.
- The Green Project Reserve form is not included; this form must be completed and submitted even when there are no green costs in the project.

WI DEPARTMENT OF NATURAL RESOURCES
ENVIRONMENTAL LOANS PROGRAM



RULE REVISION PROCESS TIMELINE

The DNR has established internal advisory groups to review the loan program administrative codes--ch. NR 162, Clean Water Fund Program and ch. NR 166, Safe Drinking Water Loan Program. The internal advisory groups are looking for ways to achieve greater efficiency, streamline processes and update language in areas where more clarity is needed. These groups will complete their initial reviews this fall.

Starting in January, the DNR will convene external advisory groups to review the initial changes to the rules and identify additional modifications that will help improve these programs. DNR will be contacting potential advisory group members late this fall and anticipates the external reviews will be completed by April. This allows for the internal and external groups to have a final review in April, giving us sufficient time to be added to the June Natural Resources Board (NRB) meeting. At that meeting, we are planning to request public hearing authorization for both rules, with public hearings occurring in July as part of the public comment period.

Responsiveness summaries will be prepared based on comments received during the public comment period and final modifications to the rules will be made by September. This then gives us sufficient time to have the final rule ready to go to the NRB for adoption in December. After NRB adoption, the rule can proceed to the legislature for their review process as part of the 2015 legislative session.

UPDATE ON CWFP PILOT PROJECTS

The DNR is continuing discussions with internal and external partners to identify the parameters for CWFP pilot projects. We hope to have several categories of projects identified this fall. This will give us sufficient time to add pilot project categories to the SFY 2015 CWFP ITA form. Municipalities seeking to conduct pilot projects can select that as an option on their ITA form for SFY 2015 funding, which must be submitted by December 31, 2013.

Based on information submitted in the SFY 2015 ITAs, we can determine where to focus our discussion of more detailed program guidelines. We will then follow through with more discussions and clarifications, and include these projects as part of our annual Intended Use Plan which is required by US EPA as part of our capitalization grant application.

As we continue with our pilot project discussions, we'll be sure to keep you updated on our progress.

PROGRAM DEADLINES

September 30, 2013

Deadline for SFY 14 CWFP Principal Forgiveness Applications

December 31, 2013

Deadline for CWFP and SDWLP Intent to Apply (ITA) forms and Priority Evaluation and Ranking Forms (PERFs)

June 30, 2014

Deadline for SFY '15 SDWLP applications
Deadline for SFY '15 CWFP Hardship applications

Revised application forms are now on the web:

<http://dnr.wi.gov/Aid/documents/EIF/forms/forms.html>

Remember to submit your rate increases to the PSC soon for SDWLP SFY 14 projects!

FOCUS ON ENERGY GRANT INFO NOW ON EL WEBSITE

Find out more about energy efficiency grants available for wastewater and drinking water projects.

Focus on Energy provided us a 2-page fact sheet about opportunities to apply for energy efficiency grants for water and wastewater facilities.

Go to: <http://dnr.wi.gov/Aid/EIF.html> and link to "Other Funding Sources" for this fact sheet.

In addition, Focus on Energy provided us a technical guidance document titled "Technical Assistance: Water & Wastewater Industry Energy Best Practice Guidebook."

A link to this document is on the same page under "Technical Assistance".

See Page 3 for more information on Energy Savings Opportunities!

REMEMBER TO CONTACT YOUR REGIONAL CME PRIOR TO YOUR PRE-CONSTRUCTION MEETING!

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Energy Saving Opportunities Highlighted by Focus on Energy

Energy saving opportunities from Focus on Energy include the following:

Variable Frequency Drives on Pumps and Blowers:

These drives can reduce a pump's energy use by as much as 50%. The costs for installed drives depend on the size of the motor and can take from 10 – 70 labor-hours depending on size and complexity. Payback period can range from a few months to less than three years for 25 – 250 horsepower motors.

Energy Efficient Motors: Pump and blower motors account for 80% - 90% of the energy costs in water supply and wastewater treatment facilities. The lifetime energy costs to run a continuous duty motor are 10 to 20 times higher than the original motor purchase price. A best practice would be to specify energy-efficient motors for all motors in new construction as well as replacements.

Pump System Efficiency: Replace inefficient (and often oversized) pumps with efficient, properly sized ones. Optimizing pump systems can result in 20% energy savings with savings up to 30% to 40% often feasible.

HVAC Upgrades: Newer air conditioners, chillers, controls, ventilation and general operation and maintenance measures can yield significant savings, even for equipment that's 10 years old.

Energy Smart Lighting: Water/wastewater facilities can immediately reduce operating costs by installing high-efficiency lights and fixtures and by changing how lights are used. Advanced fluorescent lighting, high-intensity discharge lighting and lighting controls can all lead to energy savings. More satisfying and cost-effective results are often achieved when looking at lighting as an interrelated system, rather than individual components.

Energy Management Controls: Energy savings can occur from using more automated monitoring and controls, optimizing sequencing of wells, optimizing aeration systems and installing dissolved oxygen controls.

Contact Focus on Energy for more information on these and other energy-savings ideas by calling **800.762.7077** or visiting **focusonenergy.com**.

FUTURE ITA AND PERF ON-LINE SUBMITTALS!

We are in the process of hiring a contractor to program an on-line process for submitting ITAs and PERFs. This will be an integrated on-line system linked directly to our database, not just a fillable and savable form.

When complete, you will be able to type in your ITA and PERF information, attach appropriate documents and submit the entry.

Your entry will go to a holding queue for review and then be uploaded into our database.

This will enable you to have immediate confirmation that the submittal has been received and will streamline our internal processes as well. It will make the entire process much more time and energy efficient.

While our goal is to be able to "test" this for some of the SFY 2015 ITAs, we won't know if that can happen until we're a little further along in the process. Stay tuned for updates later this fall!

Top 10 ways to help your municipality secure full funding for your project:

1. Keep the actual project work within the scope of the project as defined in the ITA.
 2. Make sure you get plan approvals (including plan modification approvals) before construction starts or those costs will be deemed ineligible.
 3. Talk with your DNR construction management engineer (CME) and project manager frequently. Invite the CME to the preconstruction meeting to provide an understanding of the project plan and timing. The CME will then be able to provide insights and answer questions from the beginning of the project.
 4. Provide the CME with copies of the DNR approved project plans and specifications. Remember the approved plans and specifications are the ones you must use for bidding purposes. Addenda to the plans and specifications should also be submitted to the department for review prior to bidding if any changes impact the design that was approved.
 5. Be inclusive. Make sure all activities necessary for the project are included in your ITA and application (i.e. land purchases, demolition, road construction, new or extensions of existing utilities, mobile equipment, SCADA, telemetry, building improvements, etc.).
 6. If you designed the work “in-house” with your engineering department, track the hours for the project so you can use them as “force account” costs. Also track hours equipment owned by the municipality is used during project construction. Set up time codes and determine appropriate charges for in-house work and equipment use in advance for specific projects that are on the horizon.
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7. Make sure the plan approval documents include all the materials and equipment options you may be considering and design your bidding documents to allow for those approved options. This maximizes your flexibility to review prices/materials and award the bid without needing further DNR approvals. For example, include all piping options you are considering, in case installation methods change and you need to change your drilling methods and associated pipe materials.
 8. When bundling funding sources, be sure to maximize each funding source – for example, some costs are eligible for CDBG funding but are not eligible for CWF and SDWLP funding, so work to have the applicable costs covered by the appropriate agency.
 9. Check with your DNR project manager before bidding to confirm what specific language should be included in the bidding documents in order to meet DBE, Davis-Bacon and other requirements.
 10. If you have a contract with a particular user of your system, contact the Department of Administration prior to applying for funding to determine whether private activity regulations could be a problem in obtaining funding for the project

More Application Tips: Help Simplify Budget Sheets when using Multiple Funding Sources

One way of ensuring a more accurate budget sheet is to clearly identify specific items covered by other funding sources and to define to which portions of the project other funds will be applied. Identify whether these are actual funds already secured or if they are funding sources for which applications have been submitted but no funding yet secured. This helps project managers prepare a more accurate budget sheet for the Financial Assistance Agreement with fewer questions and errors.